GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3954
ANSWERED ON:22.08.2003
LOANS FOR BULK DRUG UNITS
CHARAN DAS MAHANT

Will the Minister of FINANCE be pleased to state:

(a) whether banks are not giving loans for modernization and upgradation of bulk drug units to meet their obligations for schedule M. vide notification under GSR No. 894 dated December 11, 2001 issued by Ministry of Health;

(b) whether in absence of such loans nearly half of the bulk drug industry in the small scale will close down and exports will decline; and

(c) if so, the steps the Government have taken to prevent such closure?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

fa) to fc): The Schedule W of Notification under GSR No.894 dated 11th December,2001 Issuedby Ministry of Health & Family Welfare has nothing to do with the loaning by Banks for modernization and upgradation of bulk drug units, which, among others, updates and harmonises the existing Good Manufacturing Practices (GMP) from time to time to update the GMPrequirements. For this purpose, under Technology Modernisation Fund Scheme of SIDBI, theabove requirements can be covered. Other related Scheme is Credit Linked Capital SubsidyScheme. Further need based support is also provided by SIDBI to SSI Units for acquiring the ISO 9000 certifications for improving the quality of the products manufactured by theseUnits. Reserve Bank of India does not capture data on loans by Banks to the bulk drug units in the SSI Sector.